



State of California
Employment Training Panel

Training Proposal for:
DENSO Sales California, Inc.

Agreement Number: ET09-0236

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **North Hollywood**

Analyst: E. Wadzinski

PROJECT PROFILE

Contract
Type: Retrainee

Industry
Sector(s): Services

Counties
Served: Los Angeles

Repeat
Contractor: ☒ Yes ☐ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☐ Yes ☒ No

No. Employees in CA: 270

No. Employees Worldwide: 104,000

Turnover Rate %	Manager/ Supervisor %
6%	16%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$96,900	\$0	\$96,900

In-Kind Contribution
\$110,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Continuous Improvement, Computer Skills, Business Skills	190	24-140	0	\$510	\$14.02
				Weighted Avg: 34			

Minimum Wage by County: \$14.02 for Los Angeles County.

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

\$2.77 per hour may be used to meet the Post-Retention Wage.

Other Benefits: Holiday, Vacation, Sick, Bereavement Leave, Educational Reimbursement, Life Insurance, 401K

Wage Range by Occupation	
Occupation Title	Wage Range
Customer Service Staff	
Engineer	
Manager	
Sales Staff	
Supervisor	
Support Staff	
Technical Staff	
Warehouse Staff	

INTRODUCTION

In this proposal, DENSO Sales California, Inc. (DENSO) seeks funding for retraining as outlined below:

DENSO a company that sells and distributes automobile parts, is eligible for standard ETP funding under Title 22, California Code of Regulations, Section 4416 (a) (3&4) as a company providing a service in competition with providers of the same service located outside the state. DENSO proposes to retrain its workforce in the skills necessary to transition to a high performance workplace.

DENSO, located in Long Beach, was established in 1971 as the first overseas affiliate of the DENSO Corporation, Kariya, Aichi, Japan. DENSO was established to sell supply parts to dealerships such as Toyota, Mitsubishi, Honda, and Suzuki. Today, DENSO distributes original equipment, aftermarket and re-manufactured automotive parts, heavy-duty diesel and electrical components, portable commercial air-conditioning units, panel coolers, and industrial robots to warehouse distributors across the United States.

PROJECT DETAILS

To remain competitive and continue to grow in the automobile parts industry, the company recognized the need to develop a new business initiative that would expand the company into the automotive aftermarket and began selling products to retail companies such as Kragen, Autozone, NAPA, and Carquest. To meet its ongoing goal, DENSO is continuing to implement new operating procedures, computer systems, and customer service procedures which it began to do during the first ETP project.

DENSO's stated goal for this training is to increase its operations excellence standard by improving customer satisfaction, reducing delivery time, improving delivery accuracy, and expanding its product line. Improving service quality is critical to the company's success. The company is requesting ETP funding to provide 190 of its Long Beach workers training in Business Skills, Computer Skills, and Continuous Improvement.

Continuous Improvement

The company has determined it can improve quality by implementing a Lean Quality Improvement System that all trainees will be trained in. These new processes will train employees to identify service problems and identify solutions to improve product quality, improve compliance, and reduce errors across all areas of the company while increasing customer satisfaction.

Computer Skills

The ability for the company to communicate as a whole is critical to its success; especially in dealing with inventory status and delivery times. In the past, the company has not maximized the use of its software and Internet systems to communicate with employees and customers or to track product descriptions, inventory, and delivery times. Trainees will receive instruction on SPS and Genius software to assist in sales, marketing, customer service, and invoicing.

The proposed Computer Skills training will be provided to all trainees to make information more available to the organization. This will result in timely decisions regarding customer requests and orders. As a result, the company will increase productivity and sales while providing better customer service.

Business Skills

DENSO proposes to continue Business Skills training for all trainees in an effort to reduce service errors to reduce support costs. This will also enable the company to handle more types of products and expand its product line, resulting in increased sales.

Repeat Project

This will be DENSO's second project within the last five years. However, there is no substantial contribution as the company earned less than \$250,000 in the last Agreement.

In the first project, sales representatives and accounting staff were introduced to teambuilding and problem solving principles. Due to production demands, many trainees could not be released from their work so the program was only partly implemented. The training plan outlined in this proposal is a continuation of the training started in the prior contract.

Approximately 120 trainees of the trainees designated to participate under this proposal received some training in the last Agreement. Although the curriculum titles are similar, trainees will not repeat the same courses. Seventy workers will be new to ETP training.

Commitment to Training

DENSO represents that ETP funds will not displace the existing financial commitment to training. Indeed, DENSO anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

DENSO represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Although DENSO does not have a formal training program, it does provide introductory level training at its own expense. These topics include company orientation, sexual harassment prevention, on-the-job training, first aid, and safety training. The company's representative indicates that DENSO spends an estimated \$46,000 a year on this training.

Frontline Worker

Approximately 16% of the trainee population are supervisors or managers. This percentage is within the Panel's standard limitation of 20%.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by the company under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET06-0277	Long Beach	04/05/06 – 04/04/08	\$230,620	*\$85,265 (37%)

*The \$85,265 is the amount earned-in process per the current ETP Contract Status Report which will not increase after the Fiscal Closeout.

According to the DENSO representative, the low completion rate was due to difficulties in obtaining ETP-required documentation for training from trainers, documenting the ETP training on the ETP Tracking System, and an overly ambitious training plan.

For this training proposal, the company has developed a conservative training plan and a more practical schedule that will accommodate trainee needs and meet the training goals of the company. Trainers have been trained on ETP's documentation requirements and the importance of submitting rosters to the administrative staff so the information can be entered into the ETP website in a timely manner. Finally, company management has been trained on ETP documentation requirements so they can better support this ETP project.

DEVELOPMENT SERVICES

The company retained National Training Company, Inc. in Irvine to assist with development of this proposal for a flat fee of \$10,000.

ADMINISTRATIVE SERVICES

The company also retained National Training Company to perform administrative services in connection with this proposal for a fee of \$5,000, not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

24-140 Trainees will receive any of the following:

CONTINUOUS IMPROVEMENT

- Lean Service
- New Production Processes
- New Production Procedures
- Data Gathering
- Data Analysis
- Quality Systems Training
- Team Building
- Kaizen Event Skill Training
- Continuous Process Improvement
- Implementing Solutions
- Root Cause Analysis
- Effective People Skills
- Team Problem Solving

COMPUTER SKILLS

- Visio
- Computerized Reports
- Computerized Status
- Computerized Inventory
- Handling Special Orders
- Advanced Internal Applications
- Computerized Time Management
- Lotus Notes
- Intermediate and Advanced MS Office Applications

BUSINESS SKILLS

- Presentation Skills
- Handling Conflict
- Setting Objectives
- Sales Strategies
- Sales Procedures and Techniques
- Project Management
- Negotiating Skills
- Advanced Customer Service Skills
- Decision Making
- Frontline Leadership Skills
- Marketing Skills
- Resolving Customer Complaints
- Advanced Product Knowledge
- The DENSO Approach to Work